

Our mission

We support the state's economic well-being by protecting the safety of Washington's workers, providing benefits to injured workers and ensuring fair wages and quality industry services.

- We understand and embrace our mission.
- We are committed to a knowledgeable, service-oriented, high-performing workforce.
- We value integrity. We must act with integrity to fulfill our mission.
- We are dedicated to providing high-quality and timely customer service.

Customers served in 2008

- Workers' compensation insurance for 171,000 employers and 2,570,000 workers
- \$1.57 billion in premiums assessed
- \$1.9 billion in benefits paid to injured workers
- Workplace hazards fixed: 27,889
- Unpaid wages collected: \$1.8 million
- Unpaid prevailing wages collected: \$1.5 million
- Electrical wiring jobs inspected: 265,564
- Boilers and elevators inspected: 36,012
- Apprentices working: 18,367

2008 Annual Report



Serving the people and businesses of Washington State.

2008 Annual Report

For additional copies of the 2008 Annual Report, contact the Labor & Industries office nearest you.

This publication is also available online at
www.Lni.wa.gov/IPUB/101-089-000.pdf

Other formats for persons with disabilities are available on request. Call 1-800-547-8367. TDD users, call 360-902-5797. L&I is an equal opportunity employer.

- Protect workplace health and safety
- Provide workers' compensation insurance
- Ensure that workers receive their wages
- Protect public safety and property
- Support economic well-being of individuals and business
- Reduce fraud and abuse
- Register apprentices

2008 highlights

Workers' compensation

A new online quarterly reporting system offers employers two ways to file their quarterly reports. Quick File is a great option for employers who want to file their report quickly and pay their premiums online or by check. Quick File doesn't require online security screens and doesn't save banking information. The other alternative is the Claim and Account Center, which does require secure access, but rewards the extra effort by providing extensive information about an employer's workers' compensation account and active claims.

Making L&I a better business partner for health-care providers. Access to medical care has been an issue for injured workers in recent years. To retain the providers that already partner with us and attract more of them, L&I has made significant improvements: paying well and promptly; reducing paperwork and the amount of mail sent to providers; improving online self-service; and providing staff to resolve authorization and billing issues.

Workplace safety

Workers are now protected by a new permanent workplace rule on outdoor heat exposure. The rule, which took effect July 5, 2008, requires employers to include heat-related illness in their safety plan, train workers and supervisors to recognize the symptoms and how to respond, provide extra water when it's hot, and have a plan to respond if someone has symptoms.

The requirement to notify L&I when an employee is seriously hurt and hospitalized has changed. As of April 1, 2008, employers must notify L&I within 8 hours of any incident that causes in-patient hospitalization of one or more employees. Previously, the requirement was two or more employees hospitalized for industries other than agriculture.

The Washington State Legislature appropriated \$8 million to award as safety and health investment projects (SHIP) grants. Twenty-four grants have been approved so far, totaling nearly \$3.2 million.

The projects cover a variety of topics to improve or invest in safer workplaces, such as safe patient handling and safety training for residential contractors and young workers.

L&I conducted a pilot project last spring that reached about 750 teens at five schools. The program featured a teen speaker who spoke frankly about his severe on-the-job injury. It was patterned after WorkSafeBC's successful "Young Workers Speakers Bureau" in Canada. Survey results showed a significant increase in safety awareness for the students from this "peer-to-peer" approach.

The first phase of the new construction-crane safety rules was adopted. These rules are part of the new construction-crane safety law passed by the 2007 Washington State Legislature. The first phase covered certification for construction cranes, crane operators, and inspectors. Work also began on the second phase of the rule, which covers maintenance, inspection and operation of cranes.

Fraud prevention

In 2008, L&I's Fraud Prevention & Compliance Program collected \$124.5 million in delinquent employer premiums; audit assessments; fraud recovery; and overpayments to workers and health-care and vocational providers.

L&I continued to extensively use fraud-fighting capabilities authorized by the legislature in 2004. For example, the Fraud Program pursued premiums from 215 companies that closed and then reopened under a new name. These actions were made possible by the changes in the law governing successorship. L&I also assessed \$6.5 million in unpaid premiums against unregistered employers – companies that hired employees but failed to open a workers' compensation account, and referred 25 cases for criminal prosecution.

Apprenticeship

Despite the downturn in construction in 2008, there continues to be strong interest in apprenticeship in Washington State. The number of active apprentices increased in the past four years from about 8,500 to 18,654. This increase may be attributed to growth

during this same period, as well as the need for skilled replacement workers as workers retire or leave the workforce. New opportunities also come from state and local apprenticeship-utilization requirements on public works, transportation, and school projects, which require 10-20% of work to be done by registered apprentices.

Looking ahead

- The Early Claim Solutions project is providing necessary services to employers and injured workers more quickly through faster claim reporting and educating employers about specialized L&I services (such as early return-to-work, risk management, or safety consultations). Research shows that delayed claim filing results in higher claims costs and increased long-term disability. Early Claim Solutions goals include helping injured workers recover and return to their jobs more quickly and reducing costs for employers and the workers' compensation system.
- Outreach to property owners who do their own electrical work will help them understand that they need electrical permits and inspections to ensure that their work meets current safety codes and to protect their ability to insure, refinance or sell their property.
- Updating our construction fall protection rules to address current safety concerns next year is an effort we hope will result in fewer injured workers. Falls are the No. 1 cause of workers being hospitalized and are a leading cause of workplace deaths.
- The downturn in construction and high unemployment rate may lead to more people moving into the underground economy to make money or to cut costs by bypassing the requirement to register as a contractor. This puts the public at risk in the event of poor workmanship or financial loss, and it takes work away from contractors who follow the law. Targeting unregistered contractors will continue to be a priority in the next few years.

The Department of Labor & Industries in 2008

One of the largest workers' compensation insurers

Washington's workers' compensation system is one of the largest workers' compensation insurers in the nation.

This no-fault insurance system pays medical expenses and partially replaces lost wages (time loss) for workers who suffer job-related injuries or illnesses.

When a worker is injured, his or her health-care provider notifies the Department of Labor & Industries (L&I). L&I pays the medical treatment costs for the injury. If the worker is off work more than three days, then L&I also pays the worker to partly offset lost paychecks until he or she can return to work. Pensions also are paid to workers whose injuries or illnesses preclude ever returning to work and to survivors of workers who die from work-related injuries or illnesses.

Funding is mainly from three sources:

- Quarterly premiums paid by employers.
- Payroll deductions from workers.
- Income from investments.

Each employer is charged based on how hazardous their industry is and their own claim record. Washington is the only state where workers pay a significant percentage of premiums, which will be about 27 percent in 2009.

About two-thirds of Washington workers are covered by the state system. The other one-third are workers at federal facilities, and some larger local governments and large employers who are self-insured. L&I regulates self-insured coverage, ensuring that those workers receive the same rights and benefits as workers covered by the State Fund.

Workers' Compensation at a Glance

Operating Environment	2008	2007
Employers insured	171,000	168,000
Workers covered	2,570,000	2,500,000
Premiums assessed (employers' portion)	\$1,255,000,000	\$1,259,000,000
Premiums assessed (workers' portion)	\$319,000,000	\$296,000,000
Benefits incurred	\$1,919,000,000	\$1,770,168,000
Number of claims filed	136,791	140,308
New time-loss claims	28,593	29,416
Medical-only claims accepted	95,052	96,505

Most Frequent Injuries	2008	2007
Traumatic injuries to muscles, tendons, ligaments, joints, etc., of back, including spine, spinal cord (<i>includes sprains, strains, etc.</i>)	16,192	15,236
Open wounds of finger(s), fingernails (<i>includes cuts and lacerations, and amputation of fingertip or finger</i>)	12,871	13,186
Surface wounds and bruises of face (<i>includes splinter or other foreign body in eye, and bruises or contusions of the forehead</i>)	6,153	6,261
Traumatic injuries to muscles, tendons, ligaments, joints, etc., of leg(s) (<i>such as knee or thigh</i>)	4,460	4,042
Traumatic injuries to muscles, tendons, ligaments, joints, etc., of shoulder including clavicle, scapula (<i>injuries to muscles, tendons, and ligaments that are not specifically otherwise classified</i>)	4,235	3,859

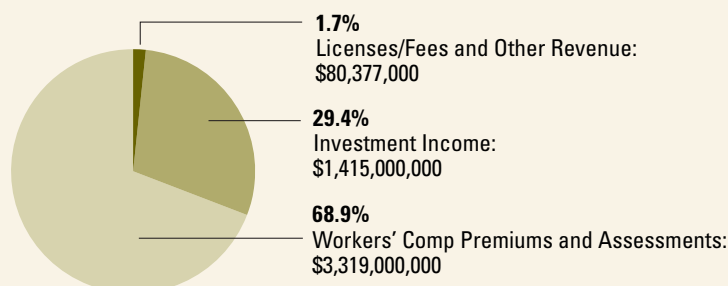
Note: The data are a snapshot of FY 2008 (July 1, 2007 – June 30, 2008) as of the first week of October 2008. Because of rounding, some columns may not add up to 100%.

To view the workers' compensation system publication
2008 Year in Review: www.Lni.wa.gov/IPUB/200-015-000.pdf

Projected Revenues Collected

(2007-09 Biennium)

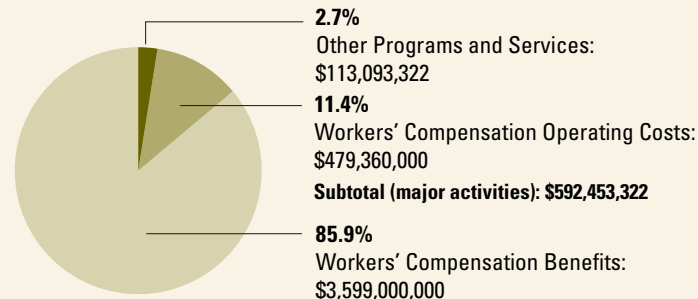
Revenue Total: \$4,814,377,000



Projected Expenditures Disbursed

(2007-2009 Biennium)

Expenditures Total: \$4,191,453,322



Note: L&I is authorized to spend \$598 million during the 2007-2009 biennium to operate the workers' compensation system and provide other programs and services. Projected expenditures do not include the "reserve fund," monies set aside to cover future costs of current claims beyond June 30, 2009.

Workplace safety and health goal is protecting workers

L&I works with employers and workers to increase the safety of Washington workplaces.

- Safety consultants help employers increase workplace safety by reviewing employee safety and accident prevention programs, and identifying workplace hazards.
- Inspectors investigate work-related fatalities, catastrophic accidents and employee-initiated complaints. Inspectors also conduct targeted inspections that focus on industries and employers with high rates of occupational injury or illness.

L&I also offers tools and training that include online safety presentations, a video lending library, online training kits, searchable databases, workshops and other training resources.

Workplace safety consultations: www.SafetyConsultants.Lni.wa.gov or call your nearest L&I office.

Workplace Safety at a Glance

Workplace Safety	2008	2007
Workplaces inspected	5,271	6,552
Workplace safety consultations	2,268	2,693
Total hazards addressed	27,889	32,189
Timely correction of hazards	95.3%	96.1%



"It can be pretty overwhelming and sometimes frustrating for the general public to deal with government agencies. I'm really pleased when I can set folks' minds at ease by providing prompt and clear responses to their questions and concerns."

Ardith Nelson

Workers' Compensation Adjudicator

Protecting worker wages, hours and more

L&I enforces child labor laws as well as laws that protect workers' wages and working conditions. Our agency also oversees apprenticeship programs and administers rules covering prevailing wages on public-works construction projects.

Employment Standards/Apprenticeship at a Glance

Employment Standards	2008	2007
Unpaid wages collected for workers	\$1,901,963	\$2,034,724
Prevailing Wage	2008	2007
Unpaid wages collected for workers	\$1,616,667	\$1,661,757
Apprenticeship	2008	2007
Apprentices working	18,367	15,721

Protecting the public from unsafe work and economic hardship

L&I technical experts protect the public by inspecting electrical work, boilers, elevators and manufactured homes. The agency also tests and licenses electricians and certifies plumbers. L&I registers construction contractors, requiring them to be insured and bonded.

Construction Trades at a Glance

Construction Trades	2008	2007
Electrical wiring jobs inspected	265,564	282,100
Building contractors registered	60,769	59,323
Boilers checked for safety	21,124	21,216
Elevators inspected for safety	14,177	15,296

Local L&I offices and main phone numbers

Hours 8 a.m. to 5 p.m. weekdays (except state holidays)

Aberdeen.....	360-533-8200	Mount Vernon.....	360-416-3000
Bellevue.....	425-990-1400	Port Angeles.....	360-417-2700
Bellingham.....	360-647-7300	Pullman.....	509-334-5296
Bremerton.....	360-415-0000	Seattle.....	206-515-2800
Colville.....	509-684-7417	Spokane.....	509-324-2600
E. Wenatchee.....	509-866-6500	Tacoma.....	253-596-3800
Everett.....	425-290-1300	Tukwila.....	206-835-1000
Kelso.....	360-575-6900	Tumwater.....	360-902-5799
Kennewick.....	509-735-0100	Vancouver.....	360-896-2300
Moses Lake.....	509-764-6900	Yakima.....	509-454-3700